

BOARD	MTG DATE	ITEM NO.
PEHCC	09/10/02	1

## **MINUTES OF MEETING**

### **STATE OF WISCONSIN PRIVATE EMPLOYER HEALTH CARE COVERAGE BOARD MONDAY, SEPTEMBER 24, 2001**

**WISCONSIN PUBLIC BROADCASTING BLDG.  
3319 W. BELTLINE HWY.  
MADISON, WI**

**BOARD PRESENT:** Tim Size, Chair  
Christopher Queram, Vice-Chair  
James Krogstad, Secretary  
Kenneth Conger  
Gina Erickson  
James Janes  
Gary Meier  
John Turcott  
Russ Pederson (representing Secretary Phyllis Dubé)  
Eric Stanchfield

**BOARD NOT PRESENT:** DeWayne Bierman

**PARTICIPATING STAFF:** Tom Korpady, Administrator, Division of Insurance Services  
Phil Borden, Program Director, PEHCCP  
A.B. Orlik, Program Manager, PEHCCP  
Gina Fischer, Board Coordinator

**OTHERS PRESENT:** Dave Hinrichs, Executive Assistant  
Pam Henning, Director, Legislation and Planning  
Wayne Corey, Wisconsin Independent Businesses  
Joe Kachelski, Wisconsin Association of Health Plans  
Ron Hermes, Health Insurance Association of America  
Bill Smith, National Federation of Independent Businesses  
Tim Fiocchi, Representative Seratti's Office  
Jim Guidry, Office of the Commissioner of Insurance

Mr. Size called the meeting to order at 11:32 a.m.

#### **Consideration of Minutes of May 1, 2001**

**MOTION:** Mr. Meier moved to accept the minutes of the May 1, 2001 meeting as submitted by the Board Coordinator. Mr. Janes seconded the motion, which passed without objection on a voice vote.

#### **Update on Budget Provisions**

Mr. Borden referred the Board to the Program's latest progress report dated October 2001, which provides information on the budget provisions that passed and the items vetoed by the Governor.

(Mr. Turcott arrived at 11:35 a.m.)

### **Funding Strategies**

Mr. Korpady informed the Board that, due to the Governor's veto, the Program had no funding other than staff salaries through the end of the current fiscal year.

Mr. Korpady explained that the two funding strategies currently being considered are (1) a loan from the State Life Insurance Fund, or (2) going back to the Legislature and asking for money from General Purpose Revenue.

As directed by the Governor in his veto message, Mr. Korpady and Mr. Borden met with representatives from the Office of the Commissioner of Insurance (OCI) and the State of Wisconsin Investment Board (SWIB) to discuss the possibility of a loan to the Program. Patricia Lipton, Executive Director of SWIB, and Connie O'Connell, Commissioner of Insurance, sent a letter to Secretary Stanchfield outlining the conditions under which a loan could be made from the State Life Insurance Fund (SLIF). Ms. Lipton and Ms. O'Connell noted that they realized that the conditions could be difficult for the Program to meet, but they believed they were required in order to meet their fiduciary responsibility to the SLIF.

Mr. Tim Fiocchi, from Representative Seratti's office, noted that their office expected a bill draft regarding the Program to be ready for an October 9<sup>th</sup> hearing of the Assembly Small Business and Economic Development Committee.

### **Report on the State Planning Grant**

Ms. Orlik reported on work supported by the State Planning Grant (SPG) awarded to the Department of Health and Family Services (DHFS) by the Health Resources and Services Administration of the U.S. Department of Health and Human Services. Broadly, the SPG was used by DHFS to study who remains uninsured in Wisconsin and what barriers they face in obtaining health insurance. A small portion of the SPG was used to secure assistance from the Institute for Health Policy Solutions (IHPS) in development of the PEHCCP administrator request for proposals and subsequent policy recommendations presented to the legislature. Ms. Orlik reported that there are still limited SPG funds available for IHPS consultation services.

Mr. Size requested that Ms. Orlik distribute an executive summary of the September 20<sup>th</sup> State Planning Grant conference to the Board.

### **Discussion of Next Steps**

Mr. Size felt that it was reasonable, in light of the Governor's vetoes, to discuss with him his vision for the program. It was agreed that the officers of the Board would request a meeting with Governor McCallum. Mr. Size requested that the Program staff set up this meeting along with a preparatory meeting of the Board officers and Employee Trust Funds staff.

Mr. Stanchfield suggested that there should be some consensus on what would be considered as acceptable in terms of funding levels and alternative rate band reform.

Mr. Turcott indicated that he felt it would be beneficial to talk with some people from the insurance industry who are interested in solving the problems of providing reasonably priced

health insurance to small businesses. He suggested that a group be formed to discuss possible solutions, and indicated that he would be willing to facilitate such a group.

**Miscellaneous**

Mr. Size directed the staff, in their communications with the Governor's office, to check on the status of the two vacant seats on the Board.

**MOTION: Mr. Queram moved to adjourn. Mr. Krogstad seconded the motion, which passed without objection.**

The Private Employer Health Care Coverage Board adjourned at 12:44 p.m.

Date Approved \_\_\_\_\_

Signed: \_\_\_\_\_

James Krogstad  
Secretary